



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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**Speech by Minister Derek Hanekom at the Opening Ceremony for Meetings Africa 2017
Sandton Convention Centre, Johannesburg**

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Deputy Minister of Tourism, Tokozile Xasa,
MEC for Economic Development in Gauteng, Lebogang Maile,
Member of the Mayoral Committee for Johannesburg, Sharon Peetz,
The Board and the Exco of South African Tourism,
The leadership and members of the Industry Associations present here,
Members of the SA National Conventions Bureau, their Ambassadors and Partners,
Members of the co-ordinating Forum from our Provinces,

Greetings to you all – our delegates from all around Africa, and from many other parts of the world - you are most welcome to our beautiful country.

Meetings Africa is South Africa's premier business tourism event. It mirrors the success and achievement of the tourism industry in 2016. All thanks are due to everyone all along the value chain and to the organisers of this event - the capable and energetic people we have at South African Tourism: well done on putting together another fabulous show.

And to the media here today: thank you for joining us in such large numbers, you are in for a great South African success story!

Meetings Africa is an important event in South Africa's tourism calendar. It is driven by a determination to raise the volumes for business and leisure tourism on our continent. It is a key lever for the economic success of all our countries, and for the well-being of all our people.

It is really inspiring to see so many exhibitors and buyers here, ready to do business.

Every product and service on offer here represents opportunity: opportunities to do more business, opportunities to create linkages to an extended value chain – food and wine, creative and cultural industries, and real opportunities for tourism to make a greater impact on our country and our continent.

Africa is on the rise. Africa is innovating. Africa is at the forefront of scientific endeavor. As we speak, Africa is constructing the most powerful radio telescope in the world, which will generate discoveries and new knowledge on a massive scale.

Last year, 58 million international tourists arrived in Africa - an increase of 8% over 2015. Sub-Saharan Africa led the growth, with an 11% increase, and there has been a gradual recovery in North Africa. The United Nations World Tourism Organisation is confident that international tourist arrivals in Africa will grow by between 5% and 6% in 2017.

Travel and tourism now contributes around 3.3% to Africa's GDP, and supports over 9 million jobs directly, or 3% of total employment. The World Travel and Tourism Council forecasts that the number of jobs in tourism will grow this year.

We are committed to working together with our colleagues in our sister countries to capture a greater share of international conferences and events.

At this point let me take the opportunity, on behalf of all of us here today, to condemn the recent acts of xenophobic violence that occurred in Tshwane and Johannesburg. Xenophobia, wherever and whenever it occurs, cannot be tolerated. This despicable behavior does not represent the sentiments of the vast majority of our people, who appreciate that the people of Africa are bound together by common origins and common values of humanity. Tourism plays a big part in eradicating prejudice and bringing people together. We will always welcome people from all over the world in our country.

The first bit of good news is that tourism is experiencing healthy growth in our country - international tourist arrivals broke through the 10 million mark last year. Arrivals from our sister countries in Africa grew by 11%, while overseas arrivals grew by a remarkable 18%!

Tourism is a significant economic sector around the world, and it now comprises 30% of all global service exports. About 1.2 billion international tourists travelled the world in 2016, and this trend is likely to continue in the years to come. If we work together and package our unique African offer more effectively, we could get a very significant share of these travellers to visit our shores.

It is right here at Meetings Africa where Africa's potential and capabilities, and the full might and diversity of our continent, are put on display. This is where partnerships and business collaborations are cemented. Thank you to all our partners for making this possible.

Ladies and gentlemen, many of you would be aware of the next bit of good news, which we received in the Budget Speech last week, when Finance Minister Pravin Gordhan announced that the Department of Tourism has been allocated an additional R494 million to promote tourism over the next three years. This allocation indicates our government's confidence in the great potential of our sector to grow, to support more jobs and small businesses, and to continue making such a meaningful contribution to our economy through our diverse value chain.

We will use this money wisely and effectively to promote tourism in a way that achieves inclusive, transformative growth.

We already have a vibrant, established local travel industry. Leisure tourism and the business events industry hold massive potential to play an even more meaningful role in the economic transformation of our country, and our continent.

Just look at the impact that business events already make on the South African economy. The South Africa National Convention Bureau commissioned an extensive three-year study to determine the economic value of the business events industry. Here are some of their findings.

The estimated total direct spend of business tourists in South Africa was R42.4 billion in 2015. This is big money – more than R40 billion injected into our economy from one niche segment of tourism in a single year! And it is growing.

It is estimated that meetings, incentives, conventions and exhibitions supported about 280 000 direct and indirect jobs in South Africa in 2015. This includes jobs in the transport, infrastructure and other sectors. It comes at a time when creating jobs is one of the biggest challenges facing our country.

Some of the other interesting findings show us that:

- The United States is South Africa's largest source market for business events delegates, making up 12.5% of the total in 2015. The United Kingdom, Turkey, Nigeria, India and Australia also feature strongly in hosting business events here.
- Of all the business delegates coming to South Africa, about one-third travel around the country to experience some of our many attractions. This trend boosts our leisure tourism industry.
- Most business delegates - about 40% - are aged between 35 and 44 years. The likelihood of a return visit with family and friends is very high.
- Destinations such as Pilanesberg, Hermanus, Kruger National Park, Namaqualand, Sun City, Soweto, the Drakensberg and Port Elizabeth are starting to feature strongly on the leisure itineraries of delegates attending business events.
- More business events are being held outside the major centres. This is an encouraging trend, because we want to spread tourism geographically across all regions of our country, so that venues and communities in some of our lesser-known areas also benefit from tourism.

We can use these insights into how the business events segment is developing to spur it on to even greater heights.

Government is working in close partnership with the private sector to enable new entrants to come in and contribute to the tourism industry's diversity. In particular, we are focusing on upskilling small tourism enterprises that create jobs, especially for the youth and women living in rural areas of our country.

These efforts support our "5 in 5" strategy to attract five million additional domestic and international travellers to South Africa in the next five years – including business travellers.

There is so much untapped potential for our entire continent to grow as a premier destination for business events.

It's time for Africa to show its immense value to the rest of the world as a business events destination. We must strike while the iron is hot. It's an exciting and invigorating space to be in, with lots of good news coming out of tourism.

But I have saved the best news for last.

It gives me great pleasure to announce that, as part of the increased budget allocation, National Treasury has approved a Bidding Fund to help us attract more business events to South Africa. This groundbreaking fund will enable us to bid aggressively for international association conferences, meetings, incentives and exhibitions.

Treasury has allocated R20 million for the next financial year (2017/18) and R90 million for the following three years for the Bidding Fund.

This is fantastic news! The fund will be a catalyst that propels our business events industry to a higher league. It will enable our National Convention Bureau, and our provincial and city convention bureaus, to support bidding processes, and will greatly enhance our chances of winning the rights to host business events.

We have already identified African regional meetings and conferences as potential quick wins, and the Bidding Fund will give us the muscle to attract them.

The Bidding Fund will focus on business events that are aligned with the priority economic sectors that Government has identified for development. These include manufacturing, mining and metals, business process outsourcing, creative industries, life sciences and ICT. Hosting major events in these sectors will reap rich macro-economic benefits for our country.

The Bidding Fund will also help us to boost delegate numbers at conferences and meetings that have already been secured.

Our research shows that delegates want to experience South Africa's attractions before and after the events they attend here. So we want to entice them to come here earlier, stay longer and bring more people with them to experience our abundant tourism offerings. The new Bidding Fund will help us to attract these high-value business tourists, so it's a giant step forward for our business events industry, and for tourism.

I am confident that this year's show will be valuable for all our exhibitors, buyers, media and visitors. There will be lots of networking opportunities to exchange ideas, and I hope that you all do great business over the next two days.

Ladies and Gentlemen, friends from across the continent and the world: it gives me great pleasure to declare that Meetings Africa 2017 is now officially open.

Minister rings the bell

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